

MISSOURI STATE BOARD OF ACCOUNTANCY

Summer Edition 2022



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Upcoming Meetings

August 24 & 25, 2022
October 20, 2022
See Board website for location and any updates to meeting dates

EXECUTIVE DIRECTOR MESSAGE

Summer has arrived and the phrase of the day is CPA Evolution. Lots of work is underway to prepare for the changes that will be effective in 2024. You will find more information in this newsletter on what is happening and expected timelines.

During this past legislative season, funding was approved for a new licensure system for all boards housed with Professional Registration which includes the Missouri State Board of Accountancy. We will be bringing you more information as to how this will impact our CPAs and CPA firms as we move forward, but we anticipate the new system will modernize and streamline the licensing process.

Please enjoy your summer and as always, don't hesitate to contact our office if you have any questions, concerns or suggestions.

Patty Faenger
Executive Director



Patty Faenger
Executive Director

CPA EXAM TRANSITION POLICY

Have you heard of the CPA Evolution initiative? Are you aware that the Uniform CPA Examination (CPA Exam) is changing significantly in January 2024? It is important to know about this initiative and the upcoming changes to the CPA Exam to fully understand how it might impact a candidate's journey to CPA licensure. If a candidate passes and retains credit for all four CPA Exam sections by December 31, 2023, the changes to the CPA Exam will NOT impact their journey. If a candidate is still working their way through the CPA Exam in January 2024 and beyond, then the information about the CPA Evolution-aligned CPA Exam (the 2024 CPA Exam) and transition policy are most important to understand.

It's never been a more exciting time to pursue the CPA license. The role of today's CPA has evolved, and newly licensed CPAs are taking on increased responsibilities that were traditionally assigned to more experienced staff. Becoming a CPA means



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CPA EXAM TRANSITION POLICY

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greater skill sets and competencies are needed, and a greater knowledge of emerging technologies. That is why the CPA Evolution initiative is underway. It is a joint effort of the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA).

The new CPA licensure and CPA Exam model is a Core + Discipline model. The model starts with a robust core in accounting, auditing, and tax that all candidates will have to complete. Then, each candidate must choose a Discipline section in which to demonstrate greater skills and knowledge. Technology knowledge and skills will be tested in all sections, as it pertains to each section. Regardless of a candidate's chosen discipline, this model leads to a full CPA license, with rights and privileges consistent with any other CPA. The Discipline section

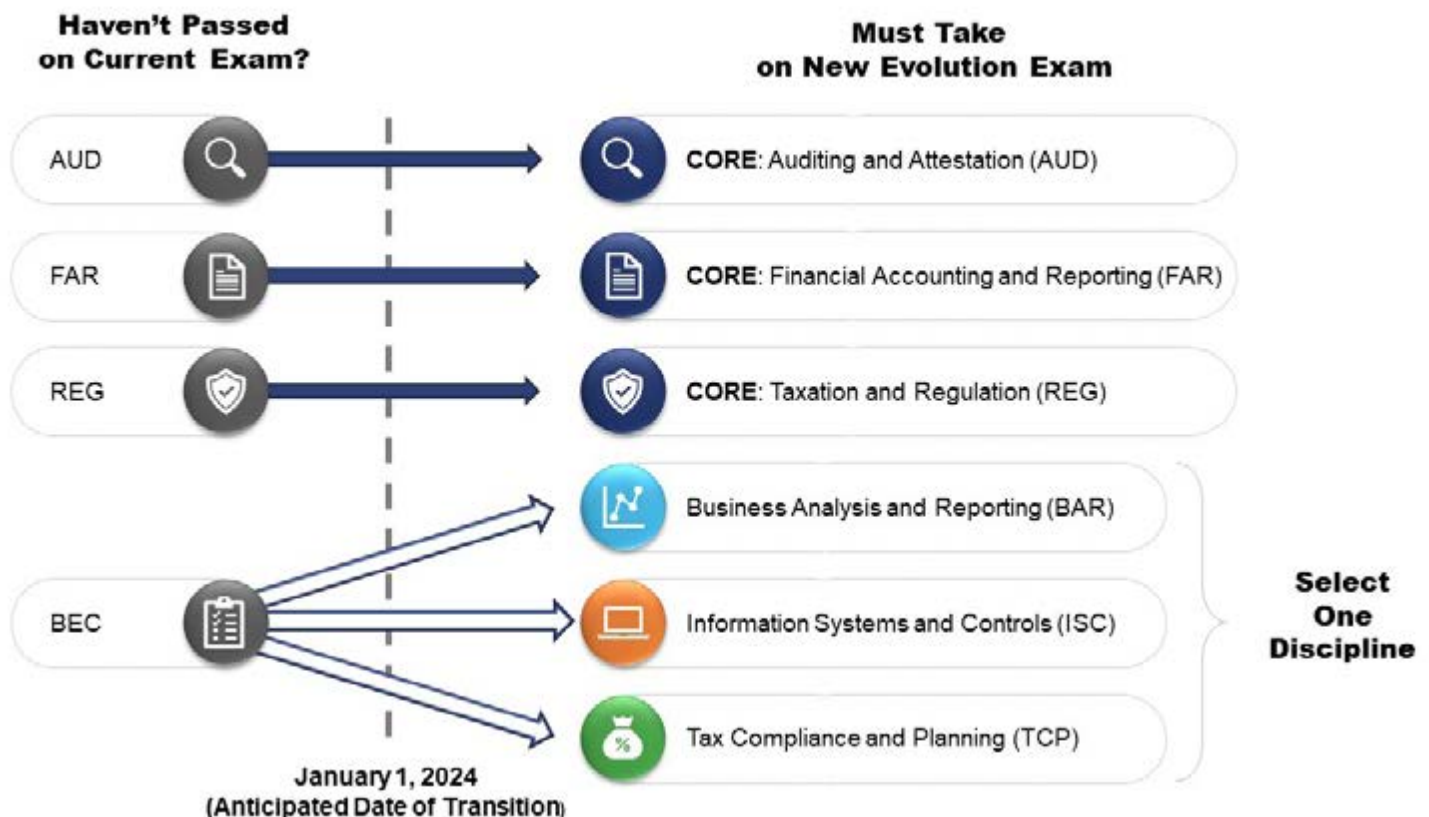
selected for testing does not mean the CPA is limited to that practice area.

The new Disciplines reflect three pillars of the CPA profession:

- Business analysis and reporting (BAR)
- Information systems and controls (ISC)
- Tax compliance and planning (TCP)

For candidates who will continue their CPA Exam journey into 2024 and beyond, the much-anticipated transition policy is important news. This policy lays out how CPA Exam sections passed under the current CPA Exam map to credit under the 2024 CPA Exam. Transition policies like this have been necessary at other times when significant changes were made to the CPA Exam, such as when it was computerized in April 2004.

CPA EXAM TRANSITION POLICY



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The policy was recommended to the Boards of Accountancy by the NASBA CBT Administration Committee after development and much deliberation by a task force with state board representatives from the AICPA Board of Examiners, sitting state board members and executive directors from multiple states. Because of the significant differences in the current and 2024 CPA Exams and the overall CPA licensure model, a perfect transition is not possible. The Boards of Accountancy have agreed this transition policy best serves the candidates, the state boards and the public interest.

The transition policy is quite simple. Candidates who have credit for AUD, FAR or REG on the current CPA Exam will

not need to take the corresponding new core section of AUD, FAR or REG on the 2024 CPA Exam. Candidates who have credit for BEC on the current CPA Exam will not need to take any of the three discipline sections.

If, however, a candidate loses credit for AUD, FAR or REG after December 31, 2023, they then must take the corresponding new Core section of AUD, FAR or REG. A candidate who loses credit for BEC after December 31, 2023, must select one of the three Discipline sections to be tested. It is important to note that none of the sections of the current CPA Exam will be available for testing after December 31, 2023. There is a hard cutover from the current CPA Exam sections to the 2024 CPA Exam sections on the January 2024 launch.

RENEWAL SEASON - IT IS THAT TIME AGAIN!

Individual CPA renewal begins in July (for individuals on the even year renewal cycle). This includes active and inactive licenses. Be on the lookout for the renewal reminder email or postcard (by mail). This communication will provide you with instruction on how to process your renewal.

CPA firm renewal will begin in August. This is an annual requirement for all CPA firms. Renewal emails and postcards (by mail) will also be sent to firms with instruction on how to proceed.

Now is a good time to ensure your address, email and phone number are current with the Board office. If you need to update your contact information, the process is easy. Simply go to the Board's website at <https://pr.mo.gov/accountancy>. Once on the website, click on Address and Name Changes and follow the instructions. If you prefer, you may email any changes to mosba@pr.mo.gov. Please ensure your address is correct before completing the online renewal.

The timely renewal season will end on September 30, 2022 for CPAs and October 31, 2022 for CPA firms. Any renewals occurring after those dates will be considered late and will incur late fees.

Remember that practicing without a current license is a violation of Missouri statutes. Please contact the Board office if you have any questions or problems with your renewal. Our staff will be happy to assist you.

RECENT RULE CHANGES

20 CSR 2010-2.100 – Foreign Corporations

This is a new rule which clarifies the statute pertaining to foreign corporations practicing public accounting in Missouri.

20 CSR 2010-4.020 Qualifying Programs

This rule was amended to provide clarification as to specific certification courses that may be utilized by licensees toward the continuing professional education requirement.

Links to all rules may be found on the Board's website at <https://pr.mo.gov/accountancy>.

MISSOURI STATE BOARD OF ACCOUNTANCY



Mission Statement

The mission of the Missouri State Board of Accountancy is to protect the interests of all citizens of the State of Missouri, as provided in Chapter 326, RSMo, by examining, certifying, licensing and regulating certified public accountants and firms in the State of Missouri. The Board promulgates rules necessary to administer the provisions of Chapter 326, RSMo to ensure the competence and ethical standards of practitioners; regulates and enforces the practice of public accounting; investigates violations of Chapter 326 RSMo and related rules; and determines appropriate discipline for those who are found to have violated the statutes or regulations.

LICENSURE THROUGH RECIPROCITY

If you have a CPA license from another state and you are practicing or plan to practice for a CPA firm in Missouri, you are required to obtain a Missouri CPA license.

There is more than one way to obtain a Missouri CPA license. The Reciprocity via Licensure method is one of them.

Missouri changed the reciprocity laws in 2020. These changes streamlined the process for reciprocity for those individuals who have been licensed for at least one year in another state. If you have one year of licensure in another state, please see the Board's website and select the Reciprocity by Licensure application. Complete and submit to the Board office.

Please click on the link below to Section 324.009 RSMo for more information on reciprocity with one year of experience in another state.

<https://revisor.mo.gov/main/OneSection.aspx?section=324.009&bid=49646&hl=>

There are times when an individual may not have the one year of experience but would like to obtain licensure through reciprocity. Missouri has an alternate method to obtain licensure through reciprocity as long as the individual meets the education and experience requirements along with the ethics requirement. This process is a little more involved but the Board staff can assist with the process. Please contact the Board office for assistance with this type of reciprocity.

Not sure if you (or your employees) need a license? Contact the Board at mosba@pr.mo.gov or (573) 751-0012.



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ENFORCEMENT ACTION - 2021

One of the many responsibilities of the Missouri State Board of Accountancy is to address violations of statutes, rules and standards that govern the profession.

In general, the largest percentage of violations are related to the failure to obtain the required continuing professional education (CPE). This is followed by practicing without a license.

The Board also receives and processes complaints from the general public. Once received, the complaints are reviewed for jurisdiction and cause. If the Board determines jurisdiction and cause, those complaints are fully investigated and reviewed by the Board to determine if further action is warranted.

The Board actions can be any of the following:

Non-disciplinary Actions:

Close with no action

Private letter of concern

Disciplinary Actions:

Censure

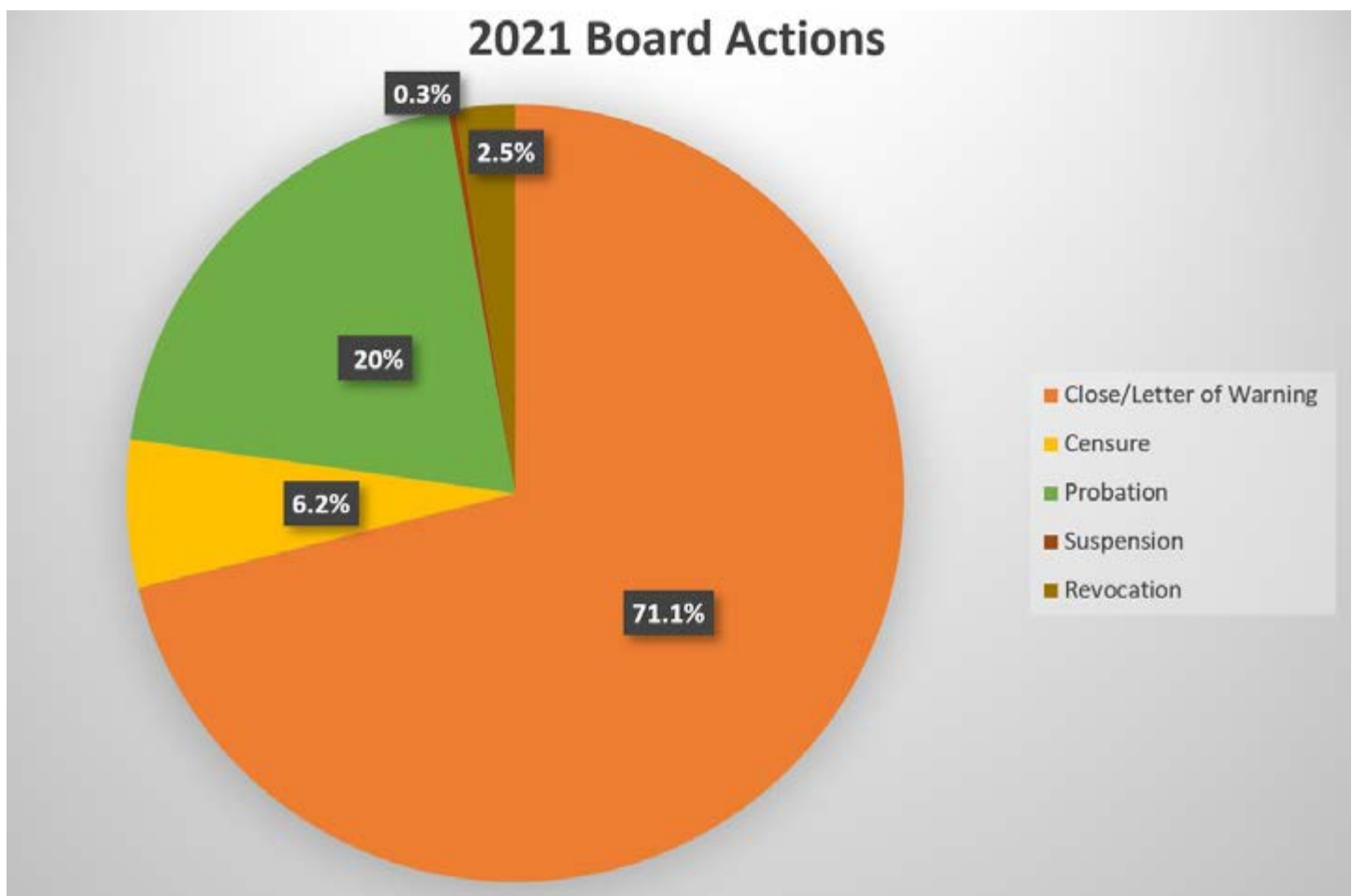
Probation

Suspension

Revocation

Disciplinary action may be accompanied by monetary penalties or other requirements for professional education or directives that pertain to the specific action resulting in discipline.

There were 325 Board actions effective in 2021.



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TIDBITS FROM THE MISSOURI STATE BOARD OF ACCOUNTANCY

Grace Period

Please remember that as of 2020, the Board amended the rules to allow for a grace period to obtain the required CPE. The grace period allows for CPAs in good standing to complete any shortage for the previous calendar year no later than March 1 of the following year. For example, you were required to obtain 40 CPE hours in 2021 but you only obtained 37 CPE hours. You may take three (3) CPE hours between January 1, 2022 through March 1, 2022 and apply those three (3) hours to your 2021 CPE requirement. Once you use those three (3) hours for 2021, they may not be used for your 2022 CPE requirement.

Please see the Board website for more information. Click on CPE Forms and follow the instructions.

Firms – Secretary of State Requirements

CPA firms licensed in Missouri are required to maintain registration with the Secretary of State. CPA firms utilizing mobility must also be registered with the Secretary of State and maintain their registration. (See 326.289 RSMo for firms that may be exempt.)

Retirement & CPE

If you keep an active license even though you may have retired from your place of employment, you are still required to keep up with your CPE requirement. If you have retired and no longer practice, please notify the Board to change the status of your license from active to retired. Individuals often stop obtaining CPE when they retire but fail to change the status of their license. This can result in a shortage in the CPE requirement. Just remember - an active license equals an annual CPE requirement.

Important Definitions Regarding Licensure:

Certificate Holder:

- Issued prior to August 28, 2001
- Passed the CPA Exam
- Cannot practice public accountancy while holding out using the CPA title



License Holder:

- Use the title “CPA” (hold out)
- Practice public accountancy
- Requires CPE

Inactive Status:

- Cannot practice public accountancy
- Cannot hold out as a CPA in conjunction with public accountancy
- Must use the disclaimer: “CPA (Inactive)”

MOSBA APPLICATION FORMS

Be sure to check the Board’s website for the most current application forms as requirements and fees could have been changed. The Board cannot accept outdated applications. To avoid any delay, always submit your application on the current form.

CONTACT INFO CHANGE

Please remember to notify the Board of contact information changes including telephone, address or email. Submit via email to: mosba@pr.mo.gov